

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is House Bill 447 pay plan allocation.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	623.44	26.25	10.16	659.85	26.25	12.16	661.85	661.85
Personal Services	28,258,727	2,222,202	2,470,124	32,951,053	2,222,904	3,993,929	34,475,560	67,426,613
Operating Expenses	22,389,693	2,249,354	5,250,168	29,889,215	2,122,946	2,835,070	27,347,709	57,236,924
Equipment	841,890	9,593	172,000	1,023,483	(357,407)	130,100	614,583	1,638,066
Capital Outlay	0	0	0	0	0	0	0	0
Grants	795,654	138,787	0	934,441	(7,449)	0	788,205	1,722,646
Benefits & Claims	14,975	0	0	14,975	0	0	14,975	29,950
Transfers	89,317	190,352	0	279,669	190,352	0	279,669	559,338
Total Costs	\$52,390,256	\$4,810,288	\$7,892,292	\$65,092,836	\$4,171,346	\$6,959,099	\$63,520,701	\$128,613,537
State/Other Special	37,449,204	3,948,241	1,824,556	43,222,001	3,709,815	3,352,280	44,511,299	87,733,300
Federal Special	14,941,052	862,047	6,067,736	21,870,835	461,531	3,606,819	19,009,402	40,880,237
Total Funds	\$52,390,256	\$4,810,288	\$7,892,292	\$65,092,836	\$4,171,346	\$6,959,099	\$63,520,701	\$128,613,537

Agency Description

The Department of Fish, Wildlife and Parks (FWP) is responsible for the management of Montana fish, wildlife, parks, and recreational resources. The department is also responsible for a state park system that includes scenic, historical, cultural, and recreational resources. The operational programs are in seven divisions and seven regional field offices. The five-member FWP Commission provides policy direction on resource management, seasons, and use of department lands.

Agency Highlights

Department of Fish, Wildlife, and Parks Major Budget Highlights	
♦	The largest funding source is the general license account at 50 percent of the budget, or \$60.6 million over the biennium
♦	Short term contract authority was granted in lieu of utilizing the budget amendment process
♦	The legislature replaced contracted services with 16.00 FTE to bring support for the automated license system in-house resulting in a savings of \$330,000 for the 2007 biennium
♦	\$2.8 million in federal special revenue was approved to continue to participate in the state wildlife grants program
♦	To reduce pressure on the general license account, the legislature approved the removal of \$0.7 million of general license funds from HB 5 (long -range building) to fund activities in HB 2
♦	The legislature approved personal services and operating expenses for 36.00 additional FTE
♦	The pay plan increase (HB 447) cost \$3.3 million over the biennium, of which 54 percent or \$1.8 million is funded with general license account dollars

Agency Discussion

General License Account

The majority of the funding for the department comes from the general license account (GLA). Fees collected for the privileges of hunting or fishing that are not earmarked for another purpose are deposited into the general license account. This account provides \$60.5 million of the department's \$121.8 million appropriation for the 2007 biennium and is used across the department for a variety of activities.

The 2005 legislature voted to increase certain hunting and fishing fees in HB 172. In the past, the legislature has set fees at a stable level for a period of eight to ten years. Early in the cycle, the increased fees generate more income than the revenue needed to meet expenses, creating a surplus of funds in the general license account, which are utilized when expenses begin to exceed revenues. During the later period, the balance in the GLA declines as expenditures exceed revenues. When the balance is projected to reach a certain point, the executive proposed a fee increase. This budgeting method puts the fund in a structural imbalance in the later years.

The legislature did not adopt this method of budgeting when HB 172 was passed. Rather than raise fees every decade, the legislature chose to raise fees for a shorter period of time. This legislative action established a different philosophy regarding how fee increases should be handled. By not approving large increases, the legislature will take an increasingly active role in determining when and how much fee increases will be. The new fees will take effect with the March 2006 license year and will provide an additional \$4.0 million over the biennium.

Figure 1 illustrates the total appropriation of general license dollars during the 2007 biennium. This table includes the \$1.8 million impact of the approved pay plan increase. Department operations have been appropriated \$60.5 million and \$4.2 million has been set aside for the capital program.

The capital expenditures may not occur in the year the appropriation is made, but the appropriations do obligate cash from the fund.

The disposition of capital dollars is illustrated in Figure 2. The largest appropriation is for the clean up of the lead contamination at Big Springs hatchery in Lewistown. Most of the listed projects receive matching funds from other state special or federal revenue sources.

Figure 1
2007 Biennium - Disposition of General License Dollars*

Division	Base	Present Law	New Proposals	Total Appropriation
Administration and Finance	\$12,155,657	(\$168,802)	\$488,765	\$12,475,620
Field Services	5,269,534.00	1,088,859.00	102,554.00	6,460,947.00
Fisheries	7,553,476.00	48,654.00	284,415.00	7,886,545.00
Law Enforcement	11,729,169.00	436,464.00	781,188.00	12,946,821.00
Wildlife	7,394,304.00	310,902.00	315,258.00	8,020,464.00
Parks	1,896,724.00	83,806.00	72,492.00	2,053,022.00
Conservation Education	3,788,134.00	(30,634.00)	279,496.00	4,036,996.00
Department Management	5,928,640.00	65,417.00	525,462.00	6,519,519.00
DNRC	<u>\$131,170</u>	<u>\$16,000</u>	<u>\$6,067</u>	<u>\$153,237</u>
	\$55,846,808	\$1,850,666	\$2,855,697	\$60,553,171
Capital Projects				<u>\$4,195,974</u>
Total Appropriations				<u>\$64,749,145</u>

*includes pay plan & capital program

Figure 2
2007 Biennium - Disposition of General License Dollars
Capital Program

* Big Springs Hatchery PCB Cleanup	\$1,696,974
* Fishing Access Site Acquisition	150,000
* Fishing Access Site Maintenance	235,000
Fishing Access Site Protection	800,000
* Statewide Hatchery Maintenance	575,000
FWP Owned Dam Repairs	264,000
* Boat Washing Stations	25,000
* FT Peck Hatchery Equipment Storage	50,000
* Administration Facilities Repair/Improvements	400,000
Total	<u>\$4,195,974</u>

* Project Requires Matching Funds

The general license fund is anticipated to have a \$7.2 million fund balance at the end of FY2007. Figure 3 illustrates historical revenues and disbursements. The account is anticipated to receive \$58.9 million in revenue and expend \$64.7 million, creating a structural imbalance of \$5.8 million within the biennium. Given the status of the general license account, the legislature will be faced with determining whether fees should be increased or expenditures reduced to work towards balancing the general license account and preserving an appropriate fund balance to deal with cash flow issues.

Legislative Contract Authority

The 2003 Legislature eliminated legislative contract authority and required the department to seek budget amendments for the use of federal funds that become available during the interim. The 2005 Legislature reinstated \$2.7 million in federal special revenue contract authority for each year of the biennium. The majority, or \$2.25 million, is directed for use in the Fisheries Division. The 2005 Legislature reinstated this authority to reduce the burden of paperwork for the department and the Office of Budget and Program Planning.

Increase in FTE

Figure 4 illustrates the change in FTE as a result of legislative action. The largest increase of 16.00 FTE results from the transition of the automated licensing system from a contracted source to in-house employees. During the 2007 biennium this change produces a net savings. In future years, pay plan increases will be applied to these positions and will no longer produce a net savings.

Additional FTE were approved in every division of the department. Only 1.00 FTE was eliminated as a result of audit recommendations concerning the employment of the FWP Foundation director.

Figure 3
Fish, Wildlife and Parks
General License Account Revenues and Disbursements

Fiscal Year	Revenues	Disbursements	Difference	Ending Fund Balance
*2007	\$30,304,922	\$30,658,088	(\$353,166)	\$7,229,839
*2006	28,645,421	34,091,057	(5,445,636)	7,583,005
* 2005	27,650,615	34,656,080	(7,005,465)	13,028,641
2004	28,407,202	28,758,193	(350,991)	22,184,899
2003	29,244,690	26,742,906	2,501,784	22,535,890
2002	25,551,068	26,610,399	(1,059,331)	20,034,106
2001	24,995,088	25,496,596	(501,508)	21,093,437
2000	24,682,872	25,261,465	(578,593)	21,594,945
1999	24,855,232	25,647,061	(791,829)	22,173,538
1998	24,556,436	23,387,660	1,168,776	22,965,367
1997	24,001,499	21,387,625	2,613,874	21,796,591
1996	25,118,865	21,082,910	4,035,955	19,182,717
1995	25,254,777	19,510,966	5,743,811	15,146,762
1994	23,200,161	18,963,554	4,236,607	9,402,951
1993	21,511,108	18,192,128	3,318,980	5,166,344
1992	18,836,165	17,152,135	1,684,030	1,847,364
1991	\$16,948,445	\$16,785,111	\$163,334	\$163,334

*Based upon estimate available fund balance.

Figure 4
FTE Changes for 2007 Biennium

Division	FY 2006		FY2007		Description
	#FTE	Cost	# FTE	Cost	
Administration and Finance	16.00	\$ (168,182)	16.00	\$ (168,182)	Convert Contract Services to FTE for ALS
Field Service	2.00	57,128	2.00	57,089	Annualize OTO FTE from 2005 Biennium
Fisheries	1.00	37,222	1.00	37,194	Fisheries Technicians
	3.00	101,604	3.00	101,511	Fort Peck Hatchery Staff
Law Enforcement	2.00	77,796	2.00	77,574	Regional Investigators
	1.50	49,897	1.50	49,779	Water Safety Specialists
	1.00	33,915	1.00	33,915	Warden Trainee
	0.00	0	1.00	39,040	Additional FTE for Block Management
Wildlife	1.00	54,282	1.00	25,257	Pilot for Wildlife Surveys
	0.50	22,795	0.50	22,784	Black Bear Harvest Study
	0.50	20,988	0.00	-	Mountain Lion Research
Parks	2.50	97,667	2.50	97,600	Parks Maintenance Staff
	3.00	87,562	3.00	87,411	Fishing Access Site Maintenance Staff
Conservation Education	1.16	31,393	1.16	31,353	Wildlife Center Staff
Department Management	1.00	47,657	1.00	47,508	Increase Litigation Staff
	(1.00)	(62,364)	(1.00)	(62,180)	Eliminate FWP Foundation Director
	1.00	49,634	1.00	49,634	Website Content Manager
	0.25	14,266	0.25	14,220	FWP Foundation Liaison
Total FTE and Costs	<u>36.41</u>	<u>\$ 553,260</u>	<u>36.91</u>	<u>\$ 541,507</u>	

Summary of Legislation Action

The legislature approved a biennial budget of \$128.6 million. This included present law adjustments of \$8.9 million and new proposals totaling \$14.8 million. The major increases occurring from new proposals include:

- Legislative contract authority of \$5.4 million for federal funds received during the interim for the Fisheries, Wildlife, Law Enforcement and Parks Divisions
- Authority of \$3.0 million to participate in the state wildlife grant program
- Funding to begin fish production at the Fort Peck hatchery of \$0.9 million
- Authority to hire 2.00 FTE as regional investigators at the cost of \$230,000

Other major budgetary issues included:

- The legislature, through HB 172, raised certain hunting and fishing fees for residents and made minor adjustments to some non-resident fees resulting in increased revenues of \$4.0 million over the biennium
- The hunting access enhancement program was extended through the passage of SB 77 that eliminated the sunset date
- A technical correction was made to the light vehicle registration fee to avoid the potential loss of \$1.1 million in revenue through HB 170.
- Law enforcement activities were expanded by two regional investigators, one warden and two warden trainees
- A one-time savings occurred in the approval to transfer the automated licensing system to in-house personnel
- Boat registration laws were changed in order to comply with Coast Guard regulations and preserve Coast Guard funding
- A number of pieces of legislation provided for discounted licenses for out of state children of Montana residents, active military personnel and disabled veterans
- Shortfalls in the warm water stamp fund were addressed by the passage of SB 298, expanding the waters where a stamp is required, thus increasing revenues to the fund

Other Legislation

The following legislation resulted in the legislature appropriating funds to implement new program requirements or changes:

House Bill 22 - This bill establishes a fee on water right holders to generate income to complete the water adjudication process in fifteen years. The legislature authorized a one-time transfer of \$177,700 from the general license account to the water adjudication fund to meet this obligation.

House Bill 56 - This legislation removes the sunset clause for the fishing access program. The legislature appropriated \$25,000 per year to landowners who allow public access to fishing sites.

House Bill 119 - This legislation removes the sunset clause for the Recreational Boating County Grant program. The County Grant program matches county money 1:1 with federal Coast Guard funds. The legislature appropriated \$20,000 of state and \$20,000 in federal funds to be passed to the counties for this purpose.

House Bill 235– This legislation enacts recommendations of the Private Lands/Public Wildlife committee. This includes enhancement of hunter access and management through the creation of a lottery draw program for deer, elk, moose, sheep and goat license; ability for a land owner to designate a family member for a complimentary license; option for non-resident land owners to receive compensation and a complimentary license and the increase in law enforcement activities. The legislature appropriated \$746,00 in FY 2007 to implement these changes

House Bill 707 – This legislation provides the authority to increase compensation to license agents who utilize a dedicated line for license transactions. The legislation also clarifies a transaction to include the collection of data. The legislature provided an appropriation of \$91,100 each year of the biennium to cover this cost. The funding source is the general license account.

Senate Bill 77 – This legislation removes the sunset clause for the hunting access and enhancement program, which makes the block management program permanent. The legislature approved program expenses of \$4.3 million per year, including payments to landowners who allow public hunting on their property.

Senate Bill 126 – This legislation requires boat owners to obtain a registration decal every three years on permanently registered vessels at no cost in order to comply with federal Coast Guard regulations. This legislation appropriated \$70,000 per year of federal Coast Guard funding for boating programs based on this change.

Senate Bill 461 – This legislation directs the department to collar one wolf in packs that are near livestock or population centers for the purpose of tracking and directs that only federal dollars be expended. The legislature appropriated \$25,000 per year for this purpose.

The following legislation impacts revenue sources utilized by the department:

House Bill 5– This legislation appropriated \$31.7 million in capital projects over the biennium. This encompasses storage at the Fort Peck hatchery, repair of administrative buildings, fishing access site development, parks projects, and the clean-up of the lead based paint at Big Springs hatchery. A total of \$4.2 million is funded with general license dollars.

House Bill 14 – This legislation provides authority for a wildlife conservation group to auction one mountain goat license annually. Funds raised will go to mountain goat management work less the 10 percent commission payable to the conservation group.

House Bill 34 – This legislation provides a price break on turkey tags for non-residents who have a valid upland bird license. The first \$30.40 of the \$55 fee will be used to secure, maintain or develop wildlife habitat. The remainder is deposited to the general license account.

House Bill 79 - This legislation removes the sunset clause for the Habitat Montana program. Portions of hunting fees provide the funding to this program.

House Bill 172 – This legislation provides for an increase of certain resident hunting and fishing fees, which is anticipated to raise revenue of \$1.2 million in FY2006 and \$2.8 million in FY 2007. The legislature did not appropriate any of the funds raised from the fee increase. Instead, they will be deposited to the general license account to strengthen the fund balance. (See agency discussion on the general license account.)

House Bill 109 – This legislation transfers the Capitol complex grounds maintenance staff, responsibilities and enterprise funding transfer to the Department of Administration on July 1, 2005.

House Bill 170 –This is a technical correction to the law relating to the transfer of certain vehicle taxes and fees from the Department of Revenue. Without this legislation, the department could have experienced a revenue loss of \$1.1 million.

House Bill 174 – This legislation establishes a \$10 application fee and \$10 renewal fee on all private pond licenses. Unless a transfer of the license occurs, the license is valid for ten years. This legislation raises \$25,830 over the biennium and is deposited to the general license account.

House Bill 214– This legislation established a non-resident youth big game license at one-half of the cost of an adult license. The anticipated revenue from this legislation is \$93,750 per year.

House Bill 272– This legislation provides for a limited number of licenses for disabled veterans at half of the published rate. Estimated revenue from this legislation is \$2,915 per year.

House Bill 312– This legislation directs revenue generated from Smith River user fees be deposited to a separate account and utilized for specific purposes. Prior to this legislation, fees were deposited into the state parks miscellaneous income fund.

House Bill 421 - This legislation provides that a non-resident child of a resident can purchase a limited number of licenses at twice the resident rate. The department anticipates a \$32,946 reduction in revenues over the biennium as a result of this legislation.

House Bill 514 – This legislation increases restitution for the illegal taking of a grizzly bear from \$2,000 to \$8,000. The department anticipates an increase of \$8,356 over the biennium from this change.

House Bill 698 – This legislation establishes a state special revenue account to collect donations for the warm water fishery program. An initial deposit of \$1,000 from the general license account will establish the fund. The estimated revenue to this fund is approximately \$23,000 per year.

House Joint Resolution 30– Requests an interim study to review the incentives granted to landowners who participate in hunting access programs.

Senate Bill 91 – This legislation establishes a requirement to allocate two wild buffalo licenses to each tribe when the commission authorizes the release of forty or more licenses. The potential revenue reduction is estimated at \$1,875 per year.

Senate Bill 298 - This legislation clarifies that a warm water stamp will be required to fish any waters where fish from the Fort Peck Hatchery are planted or will be planted. The increase in the warm water stamp revenue is estimated at \$35,000 per year.

Senate Bill 339 – This legislation provides for a free conservation license or a reduced price combination license to any qualified active member of the military. The estimated revenue reduction is \$66,000 over the biennium.

Senate Bill 503 – Eliminates the special archery season and allows for general hunting on the preserve. The increase in permits sold due to this legislation is estimated to generate \$3,200 in revenue each year of the biennium.

Funding

The following table summarizes funding for the agency, by program and sources, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget				
Agency Program	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration & Finance Div.	\$ 12,715,624	\$ 3,727,283	\$ 16,442,907	12.78%
02 Field Services Division	17,325,711	1,249,915	18,575,626	14.44%
03 Fisheries Division	8,897,449	18,666,452	27,563,901	21.43%
04 Enforcement Division	14,380,515	718,669	15,099,184	11.74%
05 Wildlife Division	9,217,943	9,209,704	18,427,647	14.33%
06 Parks Division	14,395,617	896,286	15,291,903	11.89%
08 Conservation Education Div	4,280,922	1,459,507	5,740,429	4.46%
09 Department Management	6,519,519	4,952,421	11,471,940	8.92%
Grand Total	<u>\$ 87,733,300</u>	<u>\$ 40,880,237</u>	<u>\$ 128,613,537</u>	<u>100.00%</u>

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	623.44	653.80	659.85	6.05	644.97	661.85	16.88	
Personal Services	28,258,727	31,852,122	32,951,053	1,098,931	31,545,925	34,475,560	2,929,635	4,028,566
Operating Expenses	22,389,693	27,237,253	29,889,215	2,651,962	21,969,129	27,347,709	5,378,580	8,030,542
Equipment	841,890	1,023,483	1,023,483	0	609,483	614,583	5,100	5,100
Capital Outlay	0	0	0	0	0	0	0	0
Grants	795,654	884,441	934,441	50,000	698,205	788,205	90,000	140,000
Benefits & Claims	14,975	14,975	14,975	0	14,975	14,975	0	0
Transfers	89,317	279,669	279,669	0	279,669	279,669	0	0
Total Costs	\$52,390,256	\$61,291,943	\$65,092,836	\$3,800,893	\$55,117,386	\$63,520,701	\$8,403,315	\$12,204,208
State/Other Special	37,449,204	39,813,363	43,222,001	3,408,638	36,857,159	44,511,299	7,654,140	11,062,778
Federal Special	14,941,052	21,478,580	21,870,835	392,255	18,260,227	19,009,402	749,175	1,141,430
Total Funds	\$52,390,256	\$61,291,943	\$65,092,836	\$3,800,893	\$55,117,386	\$63,520,701	\$8,403,315	\$12,204,208

The legislature approved a biennial budget \$12.2 million higher than the executive proposed budget. This increase is 88 percent state special revenue, and 12 percent federal special revenue. The department did not receive any general fund. This increase can be attributed to three distinct actions:

- The passage of SB 77 reinstated the hunting access enhancement program resulting in the addition of \$6.9 million
- HB 447, the pay plan, resulted in an increase of \$3.3 million
- Miscellaneous initiatives that were not included in the original budget account for \$2.0 million, including:
 - Payment for water release at painted rocks reservoir
 - Re-instatement of previous reductions to the black bear harvest assessment
 - Addition of 1.0 FTE for two seasonal warden trainee positions
 - Increased compensation for license transactions
 - 1.25 FTE within the Department Management Division

Language

The legislature approved the following language for inclusion in HB2:

"If the department receives additional federal special revenue for services comparable to those with general license revenue or is required to adjust personal services expenditures between state and federal accounts, the approving authority may adjust the state special revenue appropriation and the federal appropriation by like amounts. "

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is House Bill 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	57.32	16.00	0.00	73.32	16.00	0.00	73.32	73.32
Personal Services	2,652,620	741,855	102,781	3,497,256	740,442	267,704	3,660,766	7,158,022
Operating Expenses	4,754,839	(302,748)	91,100	4,543,191	(360,525)	91,100	4,485,414	9,028,605
Equipment	28,488	0	0	28,488	0	0	28,488	56,976
Transfers	0	99,652	0	99,652	99,652	0	99,652	199,304
Total Costs	\$7,435,947	\$538,759	\$193,881	\$8,168,587	\$479,569	\$358,804	\$8,274,320	\$16,442,907
State/Other Special	5,833,955	291,371	176,167	6,301,493	267,578	312,598	6,414,131	12,715,624
Federal Special	1,601,992	247,388	17,714	1,867,094	211,991	46,206	1,860,189	3,727,283
Total Funds	\$7,435,947	\$538,759	\$193,881	\$8,168,587	\$479,569	\$358,804	\$8,274,320	\$16,442,907

Program Description

The Administration and Finance Division provides department-wide support for accounting, fiscal management, purchasing and property management, personnel, and federal aid administration. Additionally, the division provides information technology services to the agency and administers the sale of hunting, fishing, and other recreational licenses.

Program Highlights

Administration and Finance Division Major Program Highlights	
<ul style="list-style-type: none"> ◆ The legislature approved a plan to transition the Automated Licensing System in house by replacing contracted services with 16.00 FTE ◆ HB 707 established a broader definition of “transaction” resulting in an increase in compensation to license vendors - \$91,100 of state special revenue per year was appropriated for this purpose ◆ The legislature approved increased equipment rates ◆ The remainder of the increase is attributable primarily to statewide increases 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Administration & Finance					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 5,833,955	78.5%	\$ 6,301,493	77.1%	\$ 6,414,131	77.5%
	02086 Mountain Sheep Account	16,000	0.2%	16,000	0.2%	16,000	0.2%
	02112 Moose Auction	1,725	0.0%	1,725	0.0%	1,725	0.0%
	02409 General License	5,813,605	78.2%	6,181,491	75.7%	6,294,129	76.1%
	02547 Search & Rescue	-	-	99,652	1.2%	99,652	1.2%
	02559 Mule Deer Auction	625	0.0%	625	0.0%	625	0.0%
	02560 Elk Auction	2,000	0.0%	2,000	0.0%	2,000	0.0%
03000	Total Federal Special Funds	1,601,992	21.5%	1,867,094	22.9%	1,860,189	22.5%
	03097 Fedl Fish(W/B) Wildlife(P/R)	610,925	8.2%	948,841	11.6%	936,464	11.3%
	03404 Overhead	991,067	13.3%	918,253	11.2%	923,725	11.2%
Grand Total		<u>\$ 7,435,947</u>	<u>100.0%</u>	<u>\$ 8,168,587</u>	<u>100.0%</u>	<u>\$ 8,274,320</u>	<u>100.0%</u>

The Administration and Finance Division is funded from the general license account and revenues received through applying an assessment to federal grants and non-federal accounts to recover overhead costs. These sources provide the funding for the services provided to other divisions within the department. The Management and Field Services divisions are partially funded in the same manner. The assessment rate for the 2007 biennium from non-federal sources is 10.8 percent for operations and 3.5 percent for capital. The federal rate is negotiated on an annual basis. The current rate for federal funds is 17.8 percent.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					152,767					153,395
Vacancy Savings					(112,209)					(112,240)
Inflation/Deflation					(65,254)					(65,320)
Fixed Costs					623,886					564,165
Total Statewide Present Law Adjustments					\$599,190					\$540,000
DP 103 - Seasonal Overtime	0.00	0	8,099	0	8,099	0.00	0	8,099	0	8,099
DP 104 - Automated License System Operations Transition	16.00	0	(92,500)	(75,682)	(168,182)	16.00	0	(92,500)	(75,682)	(168,182)
DP 105 - Search and Rescue Transfer	0.00	0	99,652	0	99,652	0.00	0	99,652	0	99,652
Total Other Present Law Adjustments										
	16.00	\$0	\$15,251	(\$75,682)	(\$60,431)	16.00	\$0	\$15,251	(\$75,682)	(\$60,431)
Grand Total All Present Law Adjustments					\$538,759					\$479,569

DP 103 - Seasonal Overtime - The legislature approved funding for overtime. The overtime is used in lieu of adding staff during peak workload periods in the areas of licensing, payroll, budget, claims and accounting.

DP 104 - Automated License System Operations Transition - The legislature approved a proposal to transition from contracted technology services to in-house support for the Automated Licensing System (ALS) that processes over 1.5 million license items annually. This approval includes 16.0 FTE.

DP 105 - Search and Rescue Transfer - The legislature approved an adjustment to provide the authority needed to reimburse costs associated with search and rescue missions for hunters, anglers, and trappers. This adjustment will allow for a full year of funds to be transferred to the Disaster and Emergency Services Division of the Department of Military Affairs who, in turn, reimburses the local search and rescue organizations.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				FTE	Fiscal 2007			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 125 - Increased Compensation for License Transactions										
01	0.00	0	91,100	0	91,100	0.00	0	91,100	0	91,100
DP 6010 - 2007 Biennium Pay Plan - HB447										
01	0.00	0	85,067	17,714	102,781	0.00	0	221,498	46,206	267,704
Total	0.00	\$0	\$176,167	\$17,714	\$193,881	0.00	\$0	\$312,598	\$46,206	\$358,804

DP 125 - Increased Compensation for License Transactions - The legislature approved an increase in compensation to license vendors from an expanded definition of a transaction. The funding is from the general license account.

DP 6010 - 2007 Biennium Pay Plan - HB447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The legislature approved the following language for inclusion in HB2:

The Governor has indicated his intent to line-item veto the language illustrated in *italic*. However, his authority to do so is questioned and may be challenged through legal action.

"The department shall present a written quarterly report to the legislative fiscal division detailing its progression with the automated licensing system transition plan and the related costs for the current fiscal year. In addition, it shall present this information to the legislative finance committee at the October 2005 and June 2006 meetings."

Proprietary Program Description

There are three proprietary functions within this division:

Duplicating Center

The department's duplicating center provides duplicating and bindery services to department employees. The Duplicating Center has 1.00 FTE and, whenever the demand for services becomes too great or a particular job is considered too large, the excess jobs are taken to Publications & Graphics to be completed.

Equipment Enterprise Fund

The department's equipment fund provides a fleet of vehicles and aircraft to department employees. The revenue users are department employees, mostly enforcement wardens, fish and wildlife biologists and park employees. Every month, users are charged for the miles driven (hours flown) during the previous month.

Warehouse Inventory

The department's warehouse contains mainly uniform items (both for wardens and non-wardens) and items specifically related to the duties of the department such as gill nets for the fisheries biologists. Overhead costs are recovered by charging a predetermined fixed percentage to all sales.

Proprietary Revenues and Expenses*Duplicating Center*

Expenses recovered in the rates are the personal services of the 1.00 FTE, operating expenses and the raw materials needed for duplicating. Rates have been historically adjusted based on the need to increase or decrease the cash balances in the account. Prior to requesting new rates, a review of the cash balance is done. At the end of FY 2004, the cash balance was \$23,938.

The 60-day working capital requirement provides sufficient cash to fund on-going operations of this program. Field projects are billed monthly for the services provided during the month. The workload is fairly consistent so there is little fluctuation in cash balances except when additional inventory is purchased.

A portion of the program's fund balance has been reserved for the duplicating center's equipment and inventory. At the end of FY 2004 the book value of the fund's assets was \$19,182 and the fund had \$8,585 in inventory.

Equipment Enterprise Fund

The objective of the vehicle account is to recover (through rates and annual auction revenues) sufficient funds to cover administrative costs to operate the program (personal services and operations) in addition to being able to replace fleet vehicles at approximately 100,000 miles. A total of 2.06 FTE are funded in this fund. The two largest costs are fuel and repairs. In FY 2004 the fund spent \$675,000 on fuel and \$500,000 on repairs. In FY 2004 the department drove just over 5.0 million miles in department vehicles while the 10-year average is 4.95 million miles. Due to a 3 percent rate increase in FY 2005 and the proposed rate increases in FY 2006 and 2007, the program anticipates revenues of \$2.5 million in both FY 2006 and 2007. These amounts are increases of approximately 3 percent over base year fee revenue.

The department attempts to manage this account so that a 60-day working capital amount of cash is available when the cash balance is at its lowest level. To compensate for a cash flow problem created by keeping rates artificially low, rates were increased 25 percent in FY 2002, 15 percent in FY 2003, 6 percent in FY 2004 and 3 percent in FY 2005. The department attempts to ensure that fees are commensurate with costs over time. It does this in two ways. First, proposed rates for the next biennium take into consideration any excess income or loss generated from previous periods. Second, prior to finalizing new rates at the beginning of a new fiscal year, the rates are recalculated based on actual information.

In order to maintain a positive cash balance, during the past 4 years, the vehicle fund needed a \$300,000 loan from another fund. This was repaid in FY 2005. Working capital at the end of FY 2004 was \$237,000.

Divisions are billed monthly for the miles driven (hours flown) during the previous month. Cash balances fluctuate during the year for two reasons. The first is that monthly mileage is greater during the summer and fall than during the winter and spring. The second reason is that new vehicles are purchased in the spring. Thus cash balances are normally highest in December after the hunting season and lowest in the spring after purchasing the new vehicles. Fiscal year end balances tend to be significantly higher than spring balances.

There is no requirement to reserve fund balance. At the end of FY 2004, the vehicle fund had total assets of \$6,964,000 and the book value (original cost less accumulated depreciation) of the fleet was \$6,566,000. The major liability was a \$300,000 loan to ensure positive cash balance at year-end and was repaid in FY 2005. As stated above, working capital at the end of FY 2004 was \$237,000. A portion of the program's fund balance has been reserved for the book value of department vehicles and aircraft.

Warehouse Inventory

The expenses associated with the warehouse include personal services, miscellaneous office supplies and expenses for the warehouse worker and inventory purchased as needed to replenish existing stock. Revenues are the sales of inventory items to department employees. The department anticipates revenues to be approximately \$90,000 per year for FY 2006 and FY 2007. Beginning in FY 2002, 0.20 FTE are supported with this program.

The 60-day working capital requirement provides sufficient cash to fund on-going operations of this program. The department attempts to ensure that fees are commensurate with costs over time by adjusting the proposed rates for excess income or loss from previous periods.

Field projects are billed monthly for the purchases made during the month. Cash balances fluctuate during the year. Cash balances are lowest during the winter when stock is replenished and highest during the summer when temporary and seasonal employees are hired.

A portion of the program's fund balance has been reserved for the warehouse inventory. At the end of FY 2004, the warehouse inventory was \$114,600.

Proprietary Rate Explanation

Duplicating Center

The rate methodology attempts to determine a rate for various duplicating and bindery services that allow the fund to recover both the cost of the raw materials and all associated personal services and operating costs. Rates have been historically adjusted based on the need to increase or decrease the cash balance. The rates have remained constant for the past four years. The legislature approved continuation of the same rates through the 2007 biennium.

Equipment

The rate methodology attempts to determine a cost/mile rate for various classes of vehicles and a cost/hour rate for each class of aircraft. The methodology is to determine the previous year's expenses, including operating, maintenance, administration and depreciation expenses minus the previous year's revenue generated from the rates and the annual vehicle auction to establish the net income for a particular class. Next the life to date (LTD) net income or loss on a per mile (hour) basis is determined. Future year expenses are estimated based on the most current year's information plus a 3 percent inflationary factor.

Using the most current year's mileage and the projected expenses, a cost/mile (hour) rate is determined for the future year. This rate is adjusted for any LTD net income or loss. In an attempt to minimize large increases or decreases, rates would not change more than 25 percent per year (10 percent for aircraft).

In addition, a minimum mileage rate was instigated in FY 2000. This was an attempt to recover overhead costs whether a vehicle is driven or not. A minimum monthly overhead charge would be assessed to each vehicle that is not driven does not maintain the class average mileage. By using this method, the overhead costs are recovered and low mileage vehicles are not being subsidized by higher mileage vehicles.

Each year, department employees drive over 5.0 million miles in department owned vehicles. The department currently has a fleet of over 400 vehicles, which are mainly used by enforcement officers, fish and wildlife biologists and parks employees. The department's request for vehicle replacement is for 45 vehicles in both

Duplicating Center		
Item	FY 2006	FY 2007
<u>Copies</u>		
1-20	\$0.045	\$0.050
21-100	\$0.030	\$0.035
101-1000	\$0.025	\$0.030
1001-5000	\$0.020	\$0.025
Color copies - per sheet	\$0.250	\$0.250
<u>Binding</u>		
Collating (per sheet)	\$0.005	\$0.005
Hand stapling (per set)	\$0.015	\$0.015
Saddle stitch (per set)	\$0.030	\$0.030
Folding (per sheet)	\$0.005	\$0.005
Punching (per sheet)	\$0.001	\$0.001
Cutting (per minute)	\$0.550	\$0.550

Equipment		
Description	FY 2006	FY 2007
<u>Per Mile Rates</u>		
Sedans	\$0.30	\$0.30
Vans	\$0.33	\$0.33
Utilities	\$0.37	\$0.37
Grounds Maintenance	\$1.05	\$1.10
Pickup 1/2 Ton	\$0.32	\$0.32
Pickup 3/4 Ton	\$0.37	\$0.37
<u>Per Hour Rates</u>		
2 Place Single Engine	\$59.56	\$62.54
Partnavia	\$297.78	\$297.78
Turbine Helicopters	\$363.01	\$363.01

FY 2006 and 2007. This is based on replacing vehicles after a minimum of 100,000 miles. Annually, the department auctions these vehicles and replaces them with new vehicles. Historically, the department has replaced 40 to 45 vehicles each year. This replacement schedule does not require a present law adjustment.

Vehicles would be assessed a minimum overhead charge if not driven a minimum number of miles in addition to the regular rates.

In FY 2000, the department realized that they had a cash flow problem in the vehicle account. This arose from keeping the rates artificially low in an attempt to show that rates were commensurate with costs. The 2001 legislature provided the department with a rate increase of 25 percent in FY 2002 and 15 percent in FY 2003. Similarly, the 2003 legislature provide the department with a 6 percent rate increase in FY 2004 and 3 percent rate increase in FY 2005. At the end of FY 2004, the department's cash flow problem has been resolved. The legislature approved rates for FY 2006 and FY 2007 to adjust for inflationary increases.

Warehouse Inventory

The rate requested for the warehouse is an overhead rate that is added to the cost of the inventory items. The overhead rate would generate sufficient revenue to cover the administrative costs of the program.

The legislature approved a 5 percent overhead rate for FY 2006 and 2007. The rate was calculated by estimating the support costs required to maintain the warehouse function such as personal services, office supplies and other miscellaneous office costs. Based on estimated warehouse sales, a fixed overhead percentage is determined that allows the department to recover the warehouse support costs. This rate is also adjusted for any previous over or under collections.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	42.60	2.00	0.00	44.60	2.00	1.00	45.60	45.60
Personal Services	1,823,405	150,657	59,077	2,033,139	151,406	172,774	2,147,585	4,180,724
Operating Expenses	5,739,537	1,117,322	(13,683)	6,843,176	1,095,541	660,086	7,495,164	14,338,340
Equipment	13,306	0	0	13,306	0	0	13,306	26,612
Benefits & Claims	14,975	0	0	14,975	0	0	14,975	29,950
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$7,591,223	\$1,267,979	\$45,394	\$8,904,596	\$1,246,947	\$832,860	\$9,671,030	\$18,575,626
State/Other Special	6,831,042	1,254,210	39,153	8,124,405	1,553,567	816,697	9,201,306	17,325,711
Federal Special	760,181	13,769	6,241	780,191	(306,620)	16,163	469,724	1,249,915
Total Funds	\$7,591,223	\$1,267,979	\$45,394	\$8,904,596	\$1,246,947	\$832,860	\$9,671,030	\$18,575,626

Program Description

The Field Services Division provides services in five areas.

- The Landowner Sportsman Relations and Block Management Program: 1) establishes and maintains communications with user and resource-based organizations and individuals; 2) administers the Livestock Loss Reimbursement Program; and 3) administers the Block Management Program, which provides recreational access on private property
- The Game Damage Program provides assistance to landowners in minimizing impacts of game animals to property and crops
- The Design and Construction Bureau provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas
- The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation for the department
- The Land Unit is responsible for the real estate functions of the department, including conservation easements, acquisition and disposal of real estate and real property, and management of all permanent land records

Program Highlights

Field Services Division Major Program Highlights	
◆	The legislature approved the continuation of the hunting access enhancement program through the passage of SB 77
◆	Annualization of a one-time only authorization granted by the 2003 Legislature was implemented at the cost of \$1.2 million
◆	\$57,000 of state special revenue was appropriated to implement the recommendations of the Private Land/Public Wildlife council
◆	Urban wildlife planning activities were not approved

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table					
		Field Services Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 6,831,042	90.0%	\$ 8,124,405	91.2%	\$ 9,201,306	95.1%
	02334 Market Based Combo Sales	4,379,268	57.7%	5,018,131	56.4%	5,713,042	59.1%
	02408 Coal Tax Trust Account	34,839	0.5%	34,945	0.4%	35,084	0.4%
	02409 General License	2,385,154	31.4%	3,039,548	34.1%	3,421,399	35.4%
	02469 Habitat Trust Interest	31,781	0.4%	31,781	0.4%	31,781	0.3%
03000	Total Federal Special Funds	760,181	10.0%	780,191	8.8%	469,724	4.9%
	03097 Fedl Fish(W/B) Wildlife(P/R)	452,041	6.0%	458,545	5.1%	145,846	1.5%
	03404 Overhead	<u>308,140</u>	<u>4.1%</u>	<u>321,646</u>	<u>3.6%</u>	<u>323,878</u>	<u>3.3%</u>
Grand Total		<u>\$ 7,591,223</u>	<u>100.0%</u>	<u>\$ 8,904,596</u>	<u>100.0%</u>	<u>\$ 9,671,030</u>	<u>100.0%</u>

The Field Services Division's primary funding sources are portions of the variable-rate hunting license sales and the general license account. Lesser amounts come from the Coal Tax Trust interest (for the acquisition, development, operations and maintenance of state parks) and the Wildlife Habitat Trust interest. Federal funds consist of Pittman-Robertson (PR) funds derived from excise taxes on sporting firearms and ammunition. This fund requires a minimum non-federal match of 25 percent. The division receives a portion of the indirect cost assessment on non-federal funds established at 10.8 percent for operational expenditures and 3.5 percent for capital expenditures. The federal overhead rate of 17.8 percent is applied to federal grants, including Pittman-Robertson funds. These assessments are managed through non-budgeted transfers into the general license account from which all expenses are paid.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				173,400					174,224	
Vacancy Savings				(79,871)					(79,907)	
Inflation/Deflation				(445)					(622)	
Fixed Costs				2,251					2,386	
Total Statewide Present Law Adjustments				\$95,335					\$96,081	
DP 202 - General Recreation Use of State Lands	0.00	0	460,000	0	460,000	0.00	0	460,000	0	460,000
DP 203 - Taxes	0.00	0	27,583	6,504	34,087	0.00	0	60,118	17,042	77,160
DP 205 - Public Wildlife Interface Biennial	0.00	0	45,211	0	45,211	0.00	0	(19,789)	0	(19,789)
DP 206 - Net Client Hunter Use - Restricted	0.00	0	8,770	0	8,770	0.00	0	8,770	0	8,770
DP 209 - Internal Service Rate Adjustment	0.00	0	19,098	0	19,098	0.00	0	19,098	0	19,098
DP 220 - Restore Block Management	2.00	0	605,478	0	605,478	2.00	0	605,627	0	605,627
DP 2001 - Block Management Adjustment	0.00	0	0	0	0	0.00	0	323,237	(323,237)	0
Total Other Present Law Adjustments										
	2.00	\$0	\$1,166,140	\$6,504	\$1,172,644	2.00	\$0	\$1,457,061	(\$306,195)	\$1,150,866
Grand Total All Present Law Adjustments				\$1,267,979					\$1,246,947	

DP 202 - General Recreation Use of State Lands - The legislature approved an increase in budget authority to compensate the common school trust for recreational use of school lands. The 2003 Legislature enacted SB 130, which replaced the recreational use license for trust land with compensation to the school trust from the department calculated at \$2 per every conservation license sold. The legislation took effect with the March 2004 license year, thus only one payment was made to the School Trust in the base year.

DP 203 - Taxes - The department pays taxes on all land and administrative facilities owned or leased by the department at the same rate as private individuals. The legislature approved increased authority to account for increased tax liabilities.

DP 205 - Public Wildlife Interface Biennial - The legislature approved an adjustment to carry forward the division's existing biennial appropriation for public wildlife interface into the 2007 biennium. No change from the previously approved base budget is being requested. The total biennial amount is \$65,000.

DP 206 - Net Client Hunter Use - Restricted - The legislature approved a biennial appropriation to restore state special revenue funding for the department to analyze the impacts of applications for an increase in net client hunting use by outfitters.

DP 209 - Internal Service Rate Adjustment - The legislature approved a request to adjust vehicle travel costs resulting from inflation and rate increases for the department's internal fleet of vehicles and aircraft. The additional revenue generated would be used to maintain the department's fleet and to replace existing vehicles as needed.

DP 220 - Restore Block Management - The legislature approved a base adjustment of state special revenue to reinstate the one-time only authority granted to this program by the 2003 Legislature.

DP 2001 - Block Management Adjustment - This is a technical adjustment to the block management program to provide for increased state special revenue authority and decreased federal authority. The net impact is zero.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2006-----				-----Fiscal 2007-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 225 - PL/PW - HB 235										
02	0.00	0	(13,683)	0	(13,683)	1.00	0	688,631	0	688,631
DP 6010 - 2007 Biennium Pay Plan - HB 447										
02	0.00	0	52,836	6,241	59,077	0.00	0	128,066	16,163	144,229
Total	0.00	\$0	\$39,153	\$6,241	\$45,394	1.00	\$0	\$816,697	\$16,163	\$832,860

DP 225 - PL/PW - HB 235 - The legislature approved funding the recommendations of the private lands/public wildlife committee (PL/PW) contingent upon the passage of HB 235. This provides for temporary seasonal employees in the field services division (1.00 FTE) and 1.00 permanent FTE in the enforcement division.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	142.02	1.00	3.00	146.02	1.00	3.00	146.02	146.02
Personal Services	6,199,430	523,650	1,482,497	8,205,577	526,886	1,813,755	8,540,071	16,745,648
Operating Expenses	3,584,954	78,183	1,372,528	5,035,665	70,683	1,372,621	5,028,258	10,063,923
Equipment	217,165	10,000	125,000	352,165	0	125,000	342,165	694,330
Grants	30,000	0	0	30,000	0	0	30,000	60,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$10,031,549	\$611,833	\$2,980,025	\$13,623,407	\$597,569	\$3,311,376	\$13,940,494	\$27,563,901
State/Other Special	3,635,112	193,625	568,533	4,397,270	189,704	675,363	4,500,179	8,897,449
Federal Special	6,396,437	418,208	2,411,492	9,226,137	407,865	2,636,013	9,440,315	18,666,452
Total Funds	\$10,031,549	\$611,833	\$2,980,025	\$13,623,407	\$597,569	\$3,311,376	\$13,940,494	\$27,563,901

Program Description

The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

- 1) Operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited
- 2) Regulates angler harvests
- 3) Monitors fish populations
- 4) Provides and maintains adequate public access.

Program Highlights

Fisheries Division Major Program Highlights	
♦	The legislature approved \$950,000 for 3.00 FTE and operations to begin fish production at the Fort Peck Hatchery
♦	\$50,000 was appropriated for the continuation of fishing access enhancement program
♦	Fisheries technicians for regions 3 (Bozeman) and region 6 (Glasgow) were approved

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding Table Fisheries Division							
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 3,635,112	36.2%	\$ 4,397,270	32.3%	\$ 4,500,179	32.3%
	02148 Paddlefish Roe Account	25,000	0.2%	25,000	0.2%	25,000	0.2%
	02409 General License	3,605,689	35.9%	3,889,326	28.5%	3,989,796	28.6%
	02942 Warm Water Fish Stamp	4,423	0.0%	482,944	3.5%	485,383	3.5%
03000	Total Federal Special Funds	6,396,437	63.8%	9,226,137	67.7%	9,440,315	67.7%
	03097 Fedl Fish(W/B) Wildlife(P/R)	4,135,302	41.2%	4,577,465	33.6%	4,723,528	33.9%
	03403 Misc. Federal Funds	2,220,375	22.1%	4,606,468	33.8%	4,672,225	33.5%
	03404 Overhead	40,760	0.4%	42,204	0.3%	44,562	0.3%
Grand Total		\$ 10,031,549	100.0%	\$ 13,623,407	100.0%	\$ 13,940,494	100.0%

The division is funded with 67 percent federal revenues, the largest source of which is the Wallup-Breaux (WB) program for sport fish restoration. General license dollars contribute 296 percent of the division's funding. The balance of funding comes from a portion of the division indirect cost rate and proceeds from the sale of paddlefish roe.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				765,004					768,404
Vacancy Savings				(278,576)					(278,712)
Inflation/Deflation				9,256					6,735
Fixed Costs				77					98
Total Statewide Present Law Adjustments				\$495,761					\$496,525
DP 302 - Lower Yellowstone River Operations									
0.00	0	0	11,250	11,250	0.00	0	0	11,250	11,250
DP 304 - Fisheries Field Technician									
1.00	0	15,556	46,666	62,222	1.00	0	11,798	35,396	47,194
DP 305 - USFWS Virology Contract									
0.00	0	5,000	15,000	20,000	0.00	0	5,000	15,000	20,000
DP 308 - Internal Service Rate Adjustment									
0.00	0	5,650	16,950	22,600	0.00	0	5,650	16,950	22,600
Total Other Present Law Adjustments									
1.00	\$0	\$26,206	\$89,866	\$116,072	1.00	\$0	\$22,448	\$78,596	\$101,044
Grand Total All Present Law Adjustments				\$611,833					\$597,569

DP 302 - Lower Yellowstone River Operations - The legislature approved an increase in and a funding switch for the operations costs associated with the Lower Yellowstone River biologist position. The operation costs will be funded with federal fish Wallup-Breaux funding and general license dollars. The biologist is currently operating with Western Area Power Administration funding, specifically allocated for pallid sturgeon research.

DP 304 - Fisheries Field Technician - The legislature approved funding for fishery technicians who work under the direction of a biologist to perform the day to day field work that is the basis for fisheries management. The field technicians would provide field assistance to monitor and manage the state's fishery resource in regions 3 (0.50 FTE) and 6 (0.50 FTE).

DP 305 - USFWS Virology Contract - The legislature approved state special and federal special revenue to fund the department's contract with the U.S. Fish and Wildlife Service (USFWS) for laboratory support for fish health work that includes all laboratory diagnostics. Virology had been provided free-of-charge by USFWS, but beginning in FY 2006, USFWS will begin charging an estimated \$20,000 for virology services.

DP 308 - Internal Service Rate Adjustment - The legislature approved a request to adjust vehicle travel costs resulting from inflation and rate increases for the department's internal fleet of vehicles and aircraft. The additional revenue generated would be used to maintain the department's fleet and to replace existing vehicles as needed.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	
DP 301 - Fort Peck Hatchery Operations										
03	3.00	0	477,007	0	477,007	3.00	0	477,007	0	477,007
DP 306 - Short Term Federal Authority OTO										
03	0.00	0	0	2,250,000	2,250,000	0.00	0	0	2,250,000	2,250,000
DP 320 - Painted Rocks Annual Payment										
03	0.00	0	0	22,125	22,125	0.00	0	0	22,125	22,125
DP 325 - Fishing Access Enhancement Program										
03	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 6010 - 2007 Biennium Pay Plan - HB 447										
03	0.00	0	66,526	139,367	205,893	0.00	0	173,356	363,888	537,244
Total	3.00	\$0	\$568,533	\$2,411,492	\$2,980,025	3.00	\$0	\$675,363	\$2,636,013	\$3,311,376

DP 301 - Fort Peck Hatchery Operations - The legislature approved an increase in the hatchery operations budget to allow the facility to begin fish production and to add 3.0 FTE to staff and run the hatchery at full capacity. Funding for this decision package is warm water fish stamp revenues.

DP 306 - Short Term Federal Authority OTO - The legislature approved \$2.25 million per fiscal year in short-term contract authority for federal funding that becomes available in the interim.

DP 320 - Painted Rocks Annual Payment - The legislature approved federal special revenue for annual payments associated with the Painted Rocks Reservoir. The department renewed an agreement with the Department of Natural Resources and Conservation to release from Painted Rocks Reservoir up to 15,000 acre feet of water per year at the request of FWP in exchange for a fee of \$15,000/year in operation and maintenance, and also an additional amount for any minor repairs necessary at the dam.

DP 325 - Fishing Access Enhancement Program - The legislature approved funding to provide payments to private landowners for allowing public fishing on private property.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The legislature approved the following language for inclusion in HB2:

“During the 2007 biennium, if the department obtains federal funding for the operations of the Fort Peck fish hatchery, it must be used to replace state special revenue approved to fund personal services and operational costs of the hatchery.

At the beginning of fiscal year 2006, \$177,700 is transferred from the general license account to the water adjudication fund as payment of water adjudication fees related to water rights held by the department.”

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	101.95	0.00	4.50	106.45	0.00	5.50	107.45	107.45
Personal Services	5,138,378	223,725	313,765	5,675,868	222,264	591,457	5,952,099	11,627,967
Operating Expenses	1,497,122	35,336	96,139	1,628,597	25,280	99,822	1,622,224	3,250,821
Equipment	72,248	0	0	72,248	0	5,100	77,348	149,596
Grants	35,400	0	0	35,400	0	0	35,400	70,800
Total Costs	\$6,743,148	\$259,061	\$409,904	\$7,412,113	\$247,544	\$696,379	\$7,687,071	\$15,099,184
State/Other Special	6,514,140	235,816	301,884	7,051,840	233,614	580,921	7,328,675	14,380,515
Federal Special	229,008	23,245	108,020	360,273	13,930	115,458	358,396	718,669
Total Funds	\$6,743,148	\$259,061	\$409,904	\$7,412,113	\$247,544	\$696,379	\$7,687,071	\$15,099,184

Program Description

The Law Enforcement Division is responsible for ensuring compliance with the department laws and regulations for the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other wildlife species. It also enforces laws and regulations relative to lands or waters under the jurisdiction and authority of the department such as parks, fishing access sites, and wildlife management areas, as well as those laws and regulations pertaining to boating, snowmobile, and all-terrain vehicle safety and registration. Other duties include administration of special purpose licenses, overseeing the department's licensing agents, and investigating wildlife damage complaints.

Program Highlights

Law Enforcement Division Major Program Highlights	
♦	The legislature provided \$0.4 million to hire two regional investigators
♦	The warden trainee program was reestablished at the biennial cost of \$90,000
♦	1.00 FTE for hunting access enhancement support was added as a result of the implementation of recommendations from the Private Lands/ Public Wildlife Committee

Funding

The following table shows program funding, by source for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Enforcement Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 6,514,140	96.6%	\$ 7,051,840	95.1%	\$ 7,328,675	95.3%
	02115 Off-Highway Vehicle Fines	46,619	0.7%	48,959	0.7%	50,468	0.7%
	02329 Snowmobile Fuel Tax-Enforcemnt	24,046	0.4%	25,095	0.3%	25,473	0.3%
	02334 Market Based Combo Sales	291,809	4.3%	298,582	4.0%	353,407	4.6%
	02409 General License	5,894,844	87.4%	6,366,949	85.9%	6,579,872	85.6%
	02411 State Parks Miscellaneous	75,828	1.1%	134,319	1.8%	137,850	1.8%
	02412 Motorboat Fuel Tax	26,658	0.4%	-	-	-	-
	02413 F & G Motorboat Cert Id	88,375	1.3%	109,313	1.5%	112,201	1.5%
	02414 Snowmobile Reg	65,961	1.0%	68,623	0.9%	69,404	0.9%
03000	Total Federal Special Funds	229,008	3.4%	360,273	4.9%	358,396	4.7%
	03403 Misc. Federal Funds	229,008	3.4%	360,273	4.9%	358,396	4.7%
Grand Total		<u>\$ 6,743,148</u>	<u>100.0%</u>	<u>\$ 7,412,113</u>	<u>100.0%</u>	<u>\$ 7,687,071</u>	<u>100.0%</u>

The Law Enforcement Division is funded primarily with state special revenue, including the general license account, variable priced non-resident hunting license fees, motorboat certificate fees, motorboat fuel taxes, state parks funds, income from the coal tax trust, and snowmobile and off-highway vehicle registration funds. Federal funds consist primarily of grants from the Coast Guard and require a 50 percent match.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2006-----						-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					238,822					237,290	
Vacancy Savings					(215,097)					(215,026)	
Inflation/Deflation					114					58	
Fixed Costs					(10)					(10)	
Total Statewide Present Law Adjustments					\$23,829						\$22,312
DP 401 - Warden Overtime	0.00	0	194,000	6,000	200,000	0.00	0	194,000	6,000	200,000	
DP 403 - Bison Hunt Biennial	0.00	0	7,733	0	7,733	0.00	0	(2,267)	0	(2,267)	
DP 412 - Internal Service Rate Adjustment	0.00	0	27,499	0	27,499	0.00	0	27,499	0	27,499	
Total Other Present Law Adjustments											
	0.00	\$0	\$229,232	\$6,000	\$235,232	0.00	\$0	\$219,232	\$6,000	\$225,232	
Grand Total All Present Law Adjustments					\$259,061						\$247,544

DP 401 - Warden Overtime - The legislature approved a request to maintain current budget levels for warden overtime, since overtime pay does not carry forward.

DP 403 - Bison Hunt Biennial - The legislature approved funding to support enforcement activities related to special bison hunts. The 2003 Legislature provided authority for the department to authorize a bison hunt as a species management tool when specific criteria are met.

DP 412 - Internal Service Rate Adjustment - The legislature approved a request to adjust vehicle travel costs resulting from inflation and rate increases for the department's internal fleet of vehicles and aircraft. The additional revenue generated would be used to maintain the department's fleet and to replace existing vehicles as needed.

New Proposals

New Proposals											
Program	FTE	Fiscal 2006				Fiscal 2007					Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 407 - Short Term Federal Authority OTO											
04	0.00	0	0	20,000	20,000	0.00	0	0	20,000	20,000	
DP 408 - Regional Investigators											
04	2.00	0	120,000	0	120,000	2.00	0	110,000	0	110,000	
DP 409 - Seasonal Water Safety - Restricted											
04	1.50	0	0	71,832	71,832	1.50	0	0	71,714	71,714	
DP 420 - Warden Trainee Program											
04	1.00	0	34,436	11,479	45,915	1.00	0	34,436	11,479	45,915	
DP 425 - PL/PW - HB235											
04	0.00	0	0	0	0	1.00	0	57,601	0	57,601	
DP 6010 - 2007 Biennium Pay Plan -HB 447											
04	0.00	0	147,448	4,709	152,157	0.00	0	378,884	12,265	391,149	
Total	4.50	\$0	\$301,884	\$108,020	\$409,904	5.50	\$0	\$580,921	\$115,458	\$696,379	

DP 407 - Short Term Federal Authority OTO - The legislature approved \$20,000 per fiscal year in short-term contract authority for federal funding that becomes available during the interim.

DP 408 - Regional Investigators - The legislature approved state special revenue to increase division staffing through the creation of a regional investigator position. The regional investigators will address investigative shortfalls by focusing on serious resource abuse and commercialized wildlife crimes. The 2.00 FTE will be housed in two regional headquarters.

DP 409 - Seasonal Water Safety - Restricted - The legislature approved state special revenue for 1.5 FTE to enhance water safety during peak times of water recreation. As watercraft utilization has increased, so has the congestion and conflict on Montana lakes, rivers and reservoirs.

DP 420 - Warden Trainee Program - The legislature approved state special and federal special revenue for 1.0 FTE as two half-time positions and corresponding operation costs within the warden trainee program. The program will give Montana university students an opportunity to receive warden training and obtain work while attending college.

DP 425 - PL/PW - HB235 - The legislature approved funding the recommendations of the private lands/public wildlife committee (PL/PW) contingent upon the passage of HB 235. This provides for temporary seasonal employees in the field services division (1.00 FTE) and 1.00 permanent FTE in the enforcement division.

DP 6010 - 2007 Biennium Pay Plan -HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The legislature approved the following language for inclusion in HB2:

The Governor has indicated his intent to line-item veto the language illustrated in *italic*. However his authority to do so is questioned and may be challenged through legal action.

“Warden trainee is restricted to Montana residents enrolled within the Montana university system.

The department shall present an annual written report by September 30 to the legislative fiscal division and the legislative finance committee regarding the implementation of the regional investigation positions and report on the level of restitution and fines collected.”

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	101.43	1.50	0.50	103.43	1.50	0.50	103.43	103.43
Personal Services	4,836,183	308,218	174,998	5,319,399	307,995	399,434	5,543,612	10,863,011
Operating Expenses	2,725,472	319,926	608,052	3,653,450	319,984	468,500	3,513,956	7,167,406
Equipment	41,268	0	47,000	88,268	0	0	41,268	129,536
Grants	133,847	0	0	133,847	0	0	133,847	267,694
Total Costs	\$7,736,770	\$628,144	\$830,050	\$9,194,964	\$627,979	\$867,934	\$9,232,683	\$18,427,647
State/Other Special	4,028,187	350,552	210,338	4,589,077	350,190	250,489	4,628,866	9,217,943
Federal Special	3,708,583	277,592	619,712	4,605,887	277,789	617,445	4,603,817	9,209,704
Total Funds	\$7,736,770	\$628,144	\$830,050	\$9,194,964	\$627,979	\$867,934	\$9,232,683	\$18,427,647

Program Description

The Wildlife Division is responsible for the department's statewide Wildlife Management Program, which enhances the use of Montana renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public, including non-game wildlife, and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages animals legislatively categorized as big game, small game, furbearers, and threatened and endangered species.

Program Highlights

Wildlife Division Major Program Highlights	
♦	Passage of SB 461 added \$50,000 of federal funds to radio collar wolves and provide receivers to stock owners
♦	The legislature approved \$0.5 million to enhance the wildlife survey process
♦	Restored previous reductions to the black bear harvest assessment program

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table					
		Wildlife Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 4,028,187	52.1%	\$ 4,589,077	49.9%	\$ 4,628,866	50.1%
	02061 Nongame Wildlife Account	-	-	44,159	0.5%	45,278	0.5%
	02085 Waterfowl Stamp Spec. Rev.	23,666	0.3%	50,054	0.5%	50,054	0.5%
	02086 Mountain Sheep Account	79,368	1.0%	79,368	0.9%	79,368	0.9%
	02112 Moose Auction	14,357	0.2%	20,107	0.2%	20,107	0.2%
	02113 Upland Game Bird Habitat	54,871	0.7%	108,067	1.2%	109,757	1.2%
	02409 General License	3,608,499	46.6%	3,969,388	43.2%	4,051,076	43.9%
	02469 Habitat Trust Interest	247,426	3.2%	295,934	3.2%	251,226	2.7%
	02559 Mule Deer Auction	-	-	6,000	0.1%	6,000	0.1%
	02560 Elk Auction	-	-	16,000	0.2%	16,000	0.2%
03000	Total Federal Special Funds	3,708,583	47.9%	4,605,887	50.1%	4,603,817	49.9%
	03097 Fedl Fish(W/B) Wildlife(P/R)	3,572,839	46.2%	4,010,439	43.6%	4,003,773	43.4%
	03403 Misc. Federal Funds	72,858	0.9%	532,058	5.8%	536,654	5.8%
	03404 Overhead	62,886	0.8%	63,390	0.7%	63,390	0.7%
Grand Total		<u>\$ 7,736,770</u>	<u>100.0%</u>	<u>\$ 9,194,964</u>	<u>100.0%</u>	<u>\$ 9,232,683</u>	<u>100.0%</u>

The Wildlife Division state special revenue consists primarily of hunting and fishing license revenue from the general license account. Earmarked fees support all of the Upland Game Bird Habitat Enhancement Program and the Wildlife Habitat Program operations. Other specialized programs are funded by revenue from the waterfowl stamp and auction receipts. Federal funding consists of Pittman-Robertson funds that require a 25 percent non-federal match that is typically met with funds from the general license account.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				442,276					442,085
Vacancy Savings				(211,135)					(211,131)
Inflation/Deflation				(1,547)					(1,525)
Total Statewide Present Law Adjustments				\$229,594					\$229,429
DP 501 - Elk, Moose, and Mule Deer Auctions									
0.00	0	27,750	0	27,750	0.00	0	27,750	0	27,750
DP 502 - Enhanced Wildlife Surveys (Restricted/OTO)									
1.00	0	125,000	125,000	250,000	1.00	0	125,000	125,000	250,000
DP 507 - Increase for Migratory Bird Program Funds									
0.00	0	26,388	0	26,388	0.00	0	26,388	0	26,388
DP 510 - Internal Service Rate Adjustment									
0.00	0	13,188	12,174	25,362	0.00	0	13,188	12,174	25,362
DP 520 - Black Bear Population and Harvest Assessment - OTO									
0.50	0	17,263	51,787	69,050	0.50	0	17,263	51,787	69,050
Total Other Present Law Adjustments									
1.50	\$0	\$209,589	\$188,961	\$398,550	1.50	\$0	\$209,589	\$188,961	\$398,550
Grand Total All Present Law Adjustments				\$628,144					\$627,979

DP 501 - Elk, Moose, and Mule Deer Auctions - The legislature approved state special revenue to allow a conservation organization to auction elk, moose and mule deer licenses. Accounting standards require the department to record the 10 percent commission earned from the sale of licenses as expenditures in accounting records.

DP 502 - Enhanced Wildlife Surveys (Restricted/OTO) - The legislature approved a one-time only restricted appropriation for an increase in operational costs for completing statutorily required wildlife surveys. The proposal adds 1.00 FTE to provide pilot services to conduct aerial surveys to maximize aircraft utilization. This activity is used to determine game animal population and the appropriate number of elk, deer, and antelope that can be viably sustained.

DP 507 - Increase for Migratory Bird Program Funds - The legislature approved state special revenue to fund an increase in operational expenses for the implementation of the wetlands program under the Wetland Legacy Program. The Migratory Bird Stamp revenue increased because of the increase in non-resident fees during the 2001 legislative session.

DP 510 - Internal Service Rate Adjustment - The legislature approved a request to adjust vehicle travel costs resulting from inflation and rate increases for the department's internal fleet of vehicles and aircraft. The additional revenue generated would be used to maintain the department's fleet and to replace existing vehicles as needed.

DP 520 - Black Bear Population and Harvest Assessment - OTO - The legislature re-instated 0.50 FTE and operations cost related to this current research project. This funding was removed from the budget by the 2003 Legislature. The project was initiated to assess the impacts of hunting mortality on black bear population dynamics and to evaluate the validity of the harvest criteria.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	
DP 504 - Mountain Lion Research OTO										
05	0.50	0	40,000	120,540	160,540	0.50	0	0	0	0
DP 505 - Restore Nongame Wildlife Funds- Restricted										
05	0.00	0	43,500	0	43,500	0.00	0	43,500	0	43,500
DP 506 - Equipment OTO										
05	0.00	0	47,000	0	47,000	0.00	0	0	0	0
DP 508 - Short Term Federal Authority OTO										
05	0.00	0	0	400,000	400,000	0.00	0	0	400,000	400,000
DP 525 - Wolf Radio Collars- SB461										
05	0.00	0	0	25,000	25,000	0.00	0	0	25,000	25,000
DP 6010 - 2007 Biennium Pay Plan - HB 447										
05	0.00	0	79,838	74,172	154,010	0.00	0	206,989	192,445	399,434
Total	0.50	\$0	\$210,338	\$619,712	\$830,050	0.50	\$0	\$250,489	\$617,445	\$867,934

DP 504 - Mountain Lion Research OTO - The legislature approved one-time only state special revenue to complete mountain lion research. This proposal includes the continuation of 0.5 FTE to assist in the trapping and survey operations occurring October through March.

DP 505 - Restore Nongame Wildlife Funds- Restricted - The Montana state tax return provides residents with the opportunity to voluntarily donate funds for use in conserving the state's non game wildlife. The legislature approved state special revenue for increased operations in the nongame program.

DP 506 - Equipment OTO - The legislature approved one-time only state special revenue for replacement equipment. This purchase would be made in FY 2006.

DP 508 - Short Term Federal Authority OTO - The legislature approved \$400,000 per fiscal year in short-term contract authority for federal funding that may become available during the interim.

DP 525 - Wolf Radio Collars- SB461 - The legislature approved federal authority to provide for the collaring of wolf packs that are near livestock or a population center.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The legislature approved the following language for inclusion in HB2:

The Governor has indicated his intent to line-item veto the language illustrated in *italic*. However his authority to do so is questioned and may be challenged through legal action.

"The department shall prepare a written report on the outcome of enhanced wildlife surveys, which must be made available to the environmental quality council prior to the 60th legislative session."

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	97.26	5.50	0.00	102.76	5.50	0.00	102.76	102.76
Personal Services	3,638,192	173,366	129,847	3,941,405	175,305	339,423	4,152,920	8,094,325
Operating Expenses	1,666,096	955,586	57,768	2,679,450	956,021	57,749	2,679,866	5,359,316
Equipment	448,452	(407)	0	448,045	(357,407)	0	91,045	539,090
Grants	380,782	88,787	0	469,569	88,787	0	469,569	939,138
Transfers	89,317	90,700	0	180,017	90,700	0	180,017	360,034
Total Costs	\$6,222,839	\$1,308,032	\$187,615	\$7,718,486	\$953,406	\$397,172	\$7,573,417	\$15,291,903
State/Other Special	5,878,656	1,280,471	118,362	7,277,489	925,845	313,627	7,118,128	14,395,617
Federal Special	344,183	27,561	69,253	440,997	27,561	83,545	455,289	896,286
Total Funds	\$6,222,839	\$1,308,032	\$187,615	\$7,718,486	\$953,406	\$397,172	\$7,573,417	\$15,291,903

Program Description

The Conservation Education Division coordinates the department's information and education programs. This coordination includes the distribution of public information through news releases; audio-visual materials; brochures and public services announcements; production of hunting; fishing and trapping regulations and the coordination of hunter, bow-hunter, snowmobile, boat, off-highway vehicle, and youth education and safety programs. In addition, the division manages the department's wild animal rehabilitation center, the Montana Wildlife Center.

Program Highlights

Parks Division	
Major Program Highlights	
♦	The capitol grounds maintenance program was transferred to the Department of Administration
♦	The legislature provided present law adjustments of \$2.3 million for maintenance to parks and fishing access sites funded through the collections of light vehicle fees
♦	Approved federal funds to maintain DNRC owned recreational access sites

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table					
		Parks Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 5,878,656	94.5%	\$ 7,277,489	94.3%	\$ 7,118,128	94.0%
	02213 Off Highway Vehicle Gas Tax	28,203	0.5%	28,775	0.4%	29,703	0.4%
	02239 Off Hwy Vehicle Acct (Parks)	26,073	0.4%	26,554	0.3%	27,337	0.4%
	02331 Motorboat Certification-Parks	21,435	0.3%	21,435	0.3%	21,435	0.3%
	02332 Snowmobile Registration-Parks	186,550	3.0%	80,572	1.0%	81,500	1.1%
	02333 Fishing Access Site Maint	124,506	2.0%	177,764	2.3%	183,040	2.4%
	02407 Snowmobile Fuel Tax	648,164	10.4%	892,739	11.6%	539,301	7.1%
	02408 Coal Tax Trust Account	997,832	16.0%	856,938	11.1%	897,177	11.8%
	02409 General License	948,362	15.2%	1,009,184	13.1%	1,043,838	13.8%
	02411 State Parks Miscellaneous	1,918,132	30.8%	2,770,781	35.9%	2,841,513	37.5%
	02412 Motorboat Fuel Tax	919,134	14.8%	1,222,136	15.8%	1,257,855	16.6%
	02558 Fas - Vehicle Registration	60,265	1.0%	190,611	2.5%	195,429	2.6%
03000	Total Federal Special Funds	344,183	5.5%	440,997	5.7%	455,289	6.0%
	03097 Fedl Fish(W/B) Wildlife(P/R)	235,572	3.8%	262,263	3.4%	273,013	3.6%
	03403 Misc. Federal Funds	-	-	62,562	0.8%	66,104	0.9%
	03404 Overhead	108,611	1.7%	116,172	1.5%	116,172	1.5%
Grand Total		<u>\$ 6,222,839</u>	<u>100.0%</u>	<u>\$ 7,718,486</u>	<u>100.0%</u>	<u>\$ 7,573,417</u>	<u>100.0%</u>

The largest revenue source is the \$4.00 registration fee per vehicle charged in lieu of resident day use fees at state park sites, followed by motorboat fuel taxes, parks coal tax trust earnings, the general license account, snowmobile fuel taxes, fishing access maintenance and acquisition fee revenues, snowmobile registration fees, and off-highway vehicle registration fees.

The registration fee is allocated as follows:

- \$3.50 for park operations and maintenance
- \$0.25 for fishing access site maintenance
- \$0.25 for support of Virginia City and Nevada City, which is transferred to the Department of Commerce

The division receives the following allocations of the gasoline dealer's license taxes:

- Nine-tenths of one percent for maintenance of parks with motorboat use
- One-eighth of one percent for off-highway vehicle safety, repair of off-highway vehicle damage, and facility development
- Fifteen-twenty-eighths of one percent for snowmobile safety, facility development, enforcement and control of noxious weeds.

Of the coal severance tax revenues, 1.27 percent is deposited into a non-expendable trust, with the interest from the trust allocated for maintenance at state parks and historic sites.

The general license account and earmarked fishing fees are used to maintain fishing access sites.

Federal funding sources include Wallop-Breaux, National Recreational Trails, the Land and Water Conservation fund, and miscellaneous federal revenues. These federal funding sources require a match of 20 to 50 percent.

The department receives 6.5 percent of the accommodation tax collections for the maintenance of state parks. However, since the money is appropriated through statute, it is not included in HB2.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				139,232					141,480	
Vacancy Savings				(151,095)					(151,186)	
Inflation/Deflation				(307)					148	
Total Statewide Present Law Adjustments				(\$12,170)					(\$9,558)	
DP 601 - Equipment Reduction										
0.00	0	(24,607)	0	(24,607)	0.00	0	(24,607)	0	(24,607)	
DP 602 - Restore Land & Water Conservation Program Funds										
0.00	0	0	7,561	7,561	0.00	0	0	7,561	7,561	
DP 604 - Restore Park Field Maintenance & Operations										
2.50	0	917,422	0	917,422	2.50	0	917,335	0	917,335	
DP 605 - FAS Base Maintenance and Operations										
3.00	0	216,871	20,000	236,871	3.00	0	216,720	20,000	236,720	
DP 606 - Community Service										
0.00	0	38,000	0	38,000	0.00	0	38,000	0	38,000	
DP 607 - Snowmobile Groomer Replacement - Biennial										
0.00	0	24,200	0	24,200	0.00	0	(332,800)	0	(332,800)	
DP 608 - Snowmobile Grants & Operations										
0.00	0	107,349	0	107,349	0.00	0	107,349	0	107,349	
DP 610 - Internal Service Rate Adjustment										
0.00	0	13,406	0	13,406	0.00	0	13,406	0	13,406	
Total Other Present Law Adjustments										
5.50	\$0	\$1,292,641	\$27,561	\$1,320,202	5.50	\$0	\$935,403	\$27,561	\$962,964	
Grand Total All Present Law Adjustments				\$1,308,032					\$953,406	

DP 601 - Equipment Reduction - The legislature approved a reduction in state special revenue from the base budget, as a one-time mower purchase was made in FY 2004.

DP 602 - Restore Land & Water Conservation Program Funds - The legislature approved a base adjustment of federal special revenue to administer the land and water community grants program. The Land and Water Conservation Fund (LWCF) passes federal monies to local communities through the Parks Division budget to build ball fields, parks, playgrounds, and trails. The administration portion of this program includes communications, grant application guidance, grant tracking and record keeping, completed project review and site inspections.

DP 604 - Restore Park Field Maintenance & Operations - The legislature approved an adjustment of state special revenue to annualize the optional \$3.50 fee on vehicle registrations to fund state park operations and maintenance. The fee took effect January 1, 2004, halfway through a fiscal year. Subsequently, base year expenditures only reflected half of a fiscal year value.

DP 605 - FAS Base Maintenance and Operations - The legislature approved an adjustment in state special revenue to annualize the optional \$0.25 fee on vehicle registrations to fund fishing access site operations and maintenance. The fee took effect January 1, 2004, halfway through a fiscal year. Subsequently, base year expenditures only reflected half of a fiscal year value.

DP 606 - Community Service - The legislature approved state special revenue to meet unplanned needs in supervising Montana Conservation Corps, volunteer groups and Aspen Youth Alternative crews. Volunteer and youth groups are used to complete special projects in place of regular maintenance crews and park staff. These park projects involve cave cleaning at Lewis and Clark Caverns, park cleanup day at Bannack, trail maintenance at Makoshika, and other projects.

DP 607 - Snowmobile Groomer Replacement - Biennial - The legislature approved a biennial appropriation of state special revenue for replacement snowmobile groomer equipment. Local snowmobile clubs use grants distributed by the department to purchase snowmobile grooming equipment.

DP 608 - Snowmobile Grants & Operations - The legislature approved state special revenue to restore funding for the maintenance of snowmobile trails by local snowmobile clubs statewide. Local snowmobile clubs use grants distributed by the department to groom snowmobile trails and to maintain snowmobile grooming equipment.

DP 610 - Internal Service Rate Adjustment - The legislature approved a request to adjust vehicle travel costs resulting from inflation and rate increases for the department's internal fleet of vehicles and aircraft. The additional revenue generated would be used to maintain the department's fleet and to replace existing vehicles as needed.

New Proposals

New Proposals											
Program	FTE	Fiscal 2006				Fiscal 2007					Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 603 - Short Term Federal Authority OTO											
06	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000	
DP 620 - Maintenance of DNRC sites											
06	0.00	0	(2,657)	25,425	22,768	0.00	0	(2,786)	25,535	22,749	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
06	0.00	0	121,019	8,828	129,847	0.00	0	316,413	23,010	339,423	
Total	0.00	\$0	\$118,362	\$69,253	\$187,615	0.00	\$0	\$313,627	\$83,545	\$397,172	

DP 603 - Short Term Federal Authority OTO - The legislature approved short-term contract authority for projects using federal funding. FWP expects a contract with the USFS for operation of the Smith River sites in FY 2006 and 2007.

DP 620 - Maintenance of DNRC sites - The legislature approved federal special revenue to allow FWP to take over management of fourteen DNRC owned access sites in Northwest Montana. DNRC contends that these fourteen sites are not properly cared for and are being degraded with unmanaged recreational use. DNRC determined that to maintain the value of the property, reduce environmental impacts and continue public access, recreational management is needed. DNRC contends that FWP is better suited to provide these services.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Program Description

23-1-105 (5) MCA authorized the Parks Division to establish an enterprise fund (fund 06068) for the purpose of managing state park visitor services revenue. The fund is used by the department to provide inventory through purchase, production, or donation and for the sale of educational, commemorative, and interpretive merchandise and other related goods and services at department sites and facilities. The fund was established primarily to better manage parks visitor centers that sell books at parks like Ulm Pishkun, Makoshika, and Chief Plenty Coups as well as parks that sell items like firewood. Monies generated go back into the purchase of inventory and also the improvement of visitor services in state parks and the department overall. In FY 2004 this fund accounted for the following monies: \$78,374 of earned revenue, \$54,206 of expenditures and a fund balance in the amount of \$40,588.

Proprietary Revenues and Expenses

Revenues are generated by the sales of merchandise at park visitor centers and regional offices. The expenses associated with the enterprise fund include office supplies, merchandising materials, and the purchase of inventory to replenish stock. As the program develops, the 60-day working capital requirement would provide sufficient cash to fund on-going operations of the program. The cash balances are highest in the winter after the parks season ends and lowest in the spring when stock is replenished.

Proprietary Rate Explanation

The enterprise fund applies a markup rate of no less than 40 percent on goods purchased for resale to ensure sufficient revenues to replenish stock.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	24.89	0.00	1.16	26.05	0.00	1.16	26.05	26.05
Personal Services	1,252,129	61,978	71,347	1,385,454	62,297	135,104	1,449,530	2,834,984
Operating Expenses	1,261,359	19,780	25,764	1,306,903	(145)	77,292	1,338,506	2,645,409
Equipment	6,900	0	0	6,900	0	0	6,900	13,800
Capital Outlay	0	0	0	0	0	0	0	0
Grants	146,236	50,000	0	196,236	(96,236)	0	50,000	246,236
Total Costs	\$2,666,624	\$131,758	\$97,111	\$2,895,493	(\$34,084)	\$212,396	\$2,844,936	\$5,740,429
State/Other Special	1,933,336	146,425	90,923	2,170,684	(19,417)	196,319	2,110,238	4,280,922
Federal Special	733,288	(14,667)	6,188	724,809	(14,667)	16,077	734,698	1,459,507
Total Funds	\$2,666,624	\$131,758	\$97,111	\$2,895,493	(\$34,084)	\$212,396	\$2,844,936	\$5,740,429

Program Description

The Conservation Education Division coordinates the department's information and education programs. This coordination includes the distribution of public information through news releases; audio-visual materials; brochures and public services announcements; production of hunting; fishing and trapping regulations and the coordination of hunter, bow-hunter, snowmobile, boat, off-highway vehicle, and youth education and safety programs. In addition, the division manages the department's wild animal rehabilitation center, the Montana Wildlife Center.

Program Highlights

Conservation Education Division Major Program Highlights	
♦ The legislature:	<ul style="list-style-type: none"> • Approved \$165,000 and 1.16 FTE for the educational center to be located at the wildlife center • Increased the shooting range grants by \$100,000

Funding

The following table shows program funding, by source, for the base year and the 2007 biennium as adopted by the legislature.

		Program Funding Table Conservation Education Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 1,933,336	72.5%	\$ 2,170,684	75.0%	\$ 2,110,238	74.2%
	02328 Ohv Gas Tax - Con Ed	9,529	0.4%	11,685	0.4%	11,932	0.4%
	02330 Snowmobile Fuel Tax-Con Ed	56,179	2.1%	60,467	2.1%	62,011	2.2%
	02408 Coal Tax Trust Account	47,067	1.8%	48,093	1.7%	49,738	1.7%
	02409 General License	1,820,561	68.3%	2,050,439	70.8%	1,986,557	69.8%
03000	Total Federal Special Funds	733,288	27.5%	724,809	25.0%	734,698	25.8%
	03097 Fedl Fish(W/B) Wildlife(P/R)	636,716	23.9%	642,201	22.2%	650,977	22.9%
	03403 Misc. Federal Funds	46,624	1.7%	32,660	1.1%	33,773	1.2%
	03404 Overhead	3,702	0.1%	3,702	0.1%	3,702	0.1%
	03408 State Wildlife Grants	46,246	1.7%	46,246	1.6%	46,246	1.6%
Grand Total		<u>\$ 2,666,624</u>	<u>100.0%</u>	<u>\$ 2,895,493</u>	<u>100.0%</u>	<u>\$ 2,844,936</u>	<u>100.0%</u>

The largest funding source in the Conservation Education Division is the general license account. Other state special revenue sources are interest from the coal tax trust account, and snowmobile and off-highway fuel taxes. Fuel taxes are dedicated revenue sources for snowmobile and off highway vehicle education programs. Federal funds are primarily Pittman-Robertson and Wallop-Breaux funds derived from federal excise taxes on sporting rifles, ammunition, and fishing equipment, and require a 25 percent match in non-federal funds.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				116,733					117,064
Vacancy Savings				(54,755)					(54,767)
Inflation/Deflation				(2,336)					(2,261)
Fixed Costs				(1,000)					(1,000)
Total Statewide Present Law Adjustments				\$58,642					\$59,036
DP 802 - Shooting Range Grants Biennial									
0.00	0	17,801	0	17,801	0.00	0	(148,435)	0	(148,435)
DP 804 - OHV Information & Education									
0.00	0	2,000	0	2,000	0.00	0	2,000	0	2,000
DP 805 - Snowmobile Information & Education									
0.00	0	3,315	0	3,315	0.00	0	3,315	0	3,315
DP 820 - Increase Shooting Range Grants									
0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total Other Present Law Adjustments									
0.00	\$0	\$73,116	\$0	\$73,116	0.00	\$0	(\$93,120)	\$0	(\$93,120)
Grand Total All Present Law Adjustments				\$131,758					(\$34,084)

DP 802 - Shooting Range Grants Biennial - The legislature approved a biennial state special revenue appropriation for the administration of the shooting range grants program. Grants are provided to local governments, school districts, private shooting clubs, and nonprofit organizations, and require a fifty percent in-kind or cash match.

DP 804 - OHV Information & Education - The legislature approved a state special revenue adjustment for off-highway vehicle (OHV) fuel taxes for the OVH educational programs, as printing expenses anticipated in FY 2004 were not incurred due to delays in production.

DP 805 - Snowmobile Information & Education - The legislature approved an adjustment in state special revenue for snowmobile fuel taxes, as requests for printed trail maps were less than anticipated in FY 2004. Demand is anticipated to be at the previous level in future years.

DP 820 - Increase Shooting Range Grants - The legislature approved an increase of \$50,000 of state special revenue per year of the biennium for shooting range grants. The funds are general license dollars transferred from the Administration and Finance Division.

New Proposals

New Proposals											
Program	FTE	Fiscal 2006				Fiscal 2007					Total Funds
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 801 - The Wildlife Center											
08	1.16	0	57,157	0	57,157	1.16	0	108,645	0	108,645	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
08	0.00	0	33,766	6,188	39,954	0.00	0	87,674	16,077	103,751	
Total	1.16	\$0	\$90,923	\$6,188	\$97,111	1.16	\$0	\$196,319	\$16,077	\$212,396	

DP 801 - The Wildlife Center - The legislature approved state special and federal special revenue to support 1.17 FTE and daily operations of an education center to be located at the Montana Wildlife Center at Spring Meadow Lake State Park in Helena. The department and private foundation partners are developing the education component of the wildlife center.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	55.97	0.25	1.00	57.22	0.25	1.00	57.22	57.22
Personal Services	2,718,390	38,753	135,812	2,892,955	36,309	274,278	3,028,977	5,921,932
Operating Expenses	1,160,314	25,969	3,012,500	4,198,783	16,107	7,900	1,184,321	5,383,104
Equipment	14,063	0	0	14,063	0	0	14,063	28,126
Grants	69,389	0	0	69,389	0	0	69,389	138,778
Total Costs	\$3,962,156	\$64,722	\$3,148,312	\$7,175,190	\$52,416	\$282,178	\$4,296,750	\$11,471,940
State/Other Special	2,794,776	195,771	319,196	3,309,743	208,734	206,266	3,209,776	6,519,519
Federal Special	1,167,380	(131,049)	2,829,116	3,865,447	(156,318)	75,912	1,086,974	4,952,421
Total Funds	\$3,962,156	\$64,722	\$3,148,312	\$7,175,190	\$52,416	\$282,178	\$4,296,750	\$11,471,940

Program Description

The Department Management Division is responsible for:

- 1) Overall department direction regarding policy, planning, program development, guidelines, and budgets
- 2) Serving as a liaison with the Governor's Office and the legislature
- 3) Interaction with the Fish, Wildlife and Parks Commission
- 4) Decision-making for key resource activities affecting the department
- 5) Supervision of the seven divisions that provide program development and staff support
- 6) Supervision of the seven regional offices that are responsible for program implementation
- 7) Legal services for the department
- 8) Serving as a liaison with Montana's Indian tribes and with other state and federal agencies

Program Highlights

Department Management Division Major Program Highlights	
♦	\$0.2 million from the general license account was appropriated to provide partial match to \$2.8 million in federal funding for the state wildlife grant program
♦	A reduction of 0.75 FTE occurred through the elimination of 1.00 FTE, FWP foundation manager, and the approval of 0.25 FTE to act as a liaison to the foundation
♦	1.00 FTE was approved to provide content management to the FWP website

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Department Management					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 2,794,776	70.5%	\$ 3,309,743	46.1%	\$ 3,209,776	74.7%
	02409 General License	2,794,776	70.5%	3,309,743	46.1%	3,209,776	74.7%
03000	Total Federal Special Funds	1,167,380	29.5%	3,865,447	53.9%	1,086,974	25.3%
	03403 Misc. Federal Funds	14,800	0.4%	-	-	-	-
	03404 Overhead	1,152,580	29.1%	1,065,447	14.8%	1,086,974	25.3%
	03408 State Wildlife Grants	-	-	2,800,000	39.0%	-	-
Grand Total		<u>\$ 3,962,156</u>	<u>100.0%</u>	<u>\$ 7,175,190</u>	<u>100.0%</u>	<u>\$ 4,296,750</u>	<u>100.0%</u>

The Department Management Division is funded from the general license account and revenues received through applying an assessment to federal grants and non-federal account to recover overhead costs to fund services provided to other divisions within the department. The assessment rate for the 2007 biennium from non-federal sources is 10.8 percent for operations and 3.5 percent for capital. The federal rate is negotiated on an annual basis. The current rate for federal funds is 17.8 percent.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				137,430					134,891	
Vacancy Savings				(114,236)					(114,130)	
Inflation/Deflation				4,727					3,089	
Fixed Costs				(25)					(25)	
Total Statewide Present Law Adjustments				\$27,896					\$23,825	
DP 901 - Commission Expense	0.00	0	16,000	0	16,000	0.00	0	16,000	0	16,000
DP 904 - Statute Book Printing	0.00	0	0	0	0	0.00	0	(8,040)	0	(8,040)
DP 910 - Litigation Expenses	1.00	0	72,657	0	72,657	1.00	0	72,508	0	72,508
DP 920 - Eliminate funding for FWP Foundation Director	(1.00)	0	(67,342)	0	(67,342)	(1.00)	0	(67,342)	0	(67,342)
DP 930 - Liaison to FWP Foundation	0.25	0	15,511	0	15,511	0.25	0	15,465	0	15,465
Total Other Present Law Adjustments										
	0.25	\$0	\$36,826	\$0	\$36,826	0.25	\$0	\$28,591	\$0	\$28,591
Grand Total All Present Law Adjustments				\$64,722					\$52,416	

DP 901 - Commission Expense - FWP commissioners are compensated for their travel at standard per diem rates and are provided an honorarium of \$50 per day for participating in meetings or conducting other commission business. The legislature approved an adjustment to restore the funding for this expense as the budget system excludes all per diem and honoraria paid to the commissioners.

DP 904 - Statute Book Printing - The legislature approved an adjustment of state special revenue due to cyclic printing costs. Following each legislative session, the department prints statute books to inform game wardens, other staff, and the public of relevant laws pertaining to department programs. It is not needed during the second year of the biennium.

DP 910 - Litigation Expenses - The legislature approved state special revenue for increased legal expenses and personnel. The increasing workload has resulted in contracting with private sector attorneys at significantly higher costs per hour. This request provides funding and FTE to increase the half-time attorney and paralegal positions to full-time and payment of increasing court costs.

DP 920 - Eliminate funding for FWP Foundation Director - This decision package eliminates base funding for the Executive Director of the FWP Foundation. This represents \$67,342 in general license dollars and 1.0 FTE in each year of the biennium. This action was in response to a legislative audit recognizing the need to implement arms length separation between the foundation and the department.

DP 930 - Liaison to FWP Foundation - The legislature approved 0.25 FTE to serve as a liaison to the Fish, Wildlife and Parks Foundation.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 905 - State Wildlife Grants - Biennial/OTO										
09	0.00	0	200,000	2,800,000	3,000,000	0.00	0	0	0	0
DP 909 - FWP Website Management										
09	1.00	0	62,134	0	62,134	1.00	0	57,392	0	57,392
DP 6010 - 2007 Biennium Pay Plan- HB 447										
09	0.00	0	57,062	29,116	86,178	0.00	0	148,874	75,912	224,786
Total	1.00	\$0	\$319,196	\$2,829,116	\$3,148,312	1.00	\$0	\$206,266	\$75,912	\$282,178

DP 905 - State Wildlife Grants - Biennial/OTO - The legislature approved authority to spend \$2.8 million in federal funds and \$200,000 in general license dollars during the next biennium, as biennial appropriations. As in the past two biennia, funds would be used for a broad range of projects to conserve and enhance populations of native fish and wildlife species and to reduce the potential for federal listing of species. Additional matching funds will be acquired through other sources.

DP 909 - FWP Website Management - The legislature approved state special revenue for 1.0 FTE and operating costs to provide content management to the FWP website.

DP 6010 - 2007 Biennium Pay Plan- HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Language

The legislature approved the following language for inclusion in HB2:

“The department may not use any source of state special revenue to fund operations or personal services of the fish, wildlife and parks foundation. The department may provide the use of office space and office equipment for the fish, wildlife and parks foundation staff. The department may fund operations and personal services of its own employees to act as liaisons with the fish, wildlife and parks foundation for the sole purpose of representing the interest of the department.”